

Frequently Asked Questions (FAQs)

on Bank Indonesia Circular Letter No. 10/2/DPM dated January 31, 2008, concerning Repurchase Agreement Transactions with Bank Indonesia in Secondary Market

Q. What are the main changes of provisions contained in this Circular Letter compared to the previous provisions?

A. Compared to the previous provisions, this Circular Letter contains main changes of Repurchase Agreement transactions with Bank Indonesia as follows.

- The Securities tradable under Repo are SBI and all types of SUN under sell and buy back principle.
- The limit of Securities under Repo is extended from 50% to 100%.
- The Repo window time is 4.00 p.m. – 5.00 p.m. (western Indonesia standard time).
- The interest payment method changes from discount system to simple interest payment system.
- A Hair Cut is applied on price of each type of Securities under Repo. The Hair Cut rate shall be announced through the BI-SSSS and/or LHBU Systems.

Q. May Banks trade SUN in the form of Treasury Bill (SPN), Treasury Bond (ON), Retail Treasury Bond (ORI), and/or Zero Coupon Bond (ZCB) under Repo to Bank Indonesia?

A. Yes. All of those securities may be traded under Repo to Bank Indonesia under requirements as follows.

- Such Securities shall be held by the concerned Bank and registered in Trading Account with the BI-SSSS, and
- Such Securities shall hold a remaining maturity of at least 2 working days for SBI and SPN or at least 10 working days for ON including ORI and ZCB as of Repo transaction maturity date.

Q. How much is the maximum nominal value of Securities tradable under Repo in one day?

A. The maximum amount of Securities tradable under Repo by a Bank in one day shall be the nominal value of Securities held by the Bank on 1 (one) working day prior to the Repo transaction date.

Q. Where ...

Q. Where may Banks obtain more comprehensive information concerning Repo transactions with Bank Indonesia?

A. Further information concerning Repo transactions may be obtained through the OMO Help Desk, telephone 021-3818350, email : helpdesk_opt@bi.go.id

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